THINK Together
Certified Public Accountants'
Audited Financial Statements

Years Ended June 30, 2019 and 2018

THINK Together

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Stephens, Reidinger & Beller LLP
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Independent Auditors' Report on Financial Statements

To the Board of Directors
THINK Together

We have audited the accompanying financial statements of THINK Together (a California non-profit corporation), which comprise the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of THINK Together as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2019 on our consideration of THINK Together's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering THINK Together's internal control over financial reporting and compliance.

Stephens, Reidinger + Beller LLP

Newport Beach, CA
October 25, 2019

THINK Together

STATEMENTS OF FINANCIAL POSITION

June 30, 2019 and 2018

ASSETS

	2019	2018
Current assets		
Cash and cash equivalents	$ 728,026	$ 554,959
School district contracts receivable, net of allowance for doubtful accounts	2,542,221	2,728,396
Grants, donations and other receivables	420,739	200,755
Due from affiliate	1,112,956	1,005,221
Prepaid expenses	200,381	418,243
Total current assets	5,004,323	4,907,574
Property and equipment - net of accumulated depreciation	9,232,098	7,234,151
Other assets	1,021,607	1,120,236
Total assets	$ 15,258,028	$ 13,261,961

LIABILITIES AND NET ASSETS

	2019	2018
Current liabilities		
Accounts payable and other accrued liabilities	$ 2,405,372	$ 2,141,704
Accrued payroll and related liabilities	2,691,745	2,403,530
Line of credit	-	274,571
Current maturities of long-term debt	138,982	351,676
Current portion of service obligation	534,312	519,098
Deferred revenue and rental obligations	687,890	258,234
Total current liabilities	6,458,301	5,948,813
Long-term debt - net of current maturities	2,687,244	1,706,226
Long-term service obligation - net of current portion	1,116,065	1,650,377
Deferred revenue and rental obligations - long-term	242,295	117,890
Total liabilities	10,503,905	9,423,306
Net assets		
Net assets without donor restrictions	4,478,154	3,564,652
Net assets with donor restrictions	275,969	274,003
Total net assets	4,754,123	3,838,655
Total liabilities and net assets	$ 15,258,028	$ 13,261,961

The accompanying notes are an integral part of these financial statements.

THINK Together

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

	2019		
Revenue	Without Donor Restrictions	With Donor Restrictions	Total
Public support			
Corporate donations	$ 375,461	$ -	$ 375,461
Individual donations	432,566	-	432,566
Foundations	2,243,901	-	2,243,901
School district contract services	49,081,680	-	49,081,680
Contributed assets and services	545,208	-	545,208
Net assets released from restrictions	6,000	(6,000)	-
Total public support	52,684,816	(6,000)	52,678,816
Interest, rental and other income	1,152,929	7,966	1,160,895
Total revenue and support	53,837,745	1,966	53,839,711
Expenses			
Program services	46,687,980	-	46,687,980
Management and general	5,373,879	-	5,373,879
Fundraising	862,384	-	862,384
Total expenses	52,924,243	-	52,924,243
Change in net assets	913,502	1,966	915,468
Beginning net assets	3,564,652	274,003	3,838,655
Ending net assets	$ 4,478,154	$ 275,969	$ 4,754,123

THINK Together

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2018

	2018		
Revenue	Without Donor Restrictions	With Donor Restrictions	Total
Public support			
Corporate donations	$ 644,542	$ -	$ 644,542
Individual donations	398,117	-	398,117
Foundations	1,706,335	-	1,706,335
School district contract services	47,030,119	-	47,030,119
Contributed assets and services	649,615	-	649,615
Net assets released from restrictions	18,000	(18,000)	-
Total public support	50,446,728	(18,000)	50,428,728
Interest, rental and other income	1,030,966	21,736	1,052,702
Total revenue and support	51,477,694	3,736	51,481,430
Expenses			
Program services	44,657,734	-	44,657,734
Management and general	5,175,372	-	5,175,372
Fundraising	943,470	-	943,470
Total expenses	50,776,576	-	50,776,576
Change in net assets	701,118	3,736	704,854
Beginning net assets	2,863,534	270,267	3,133,801
Ending net assets	$ 3,564,652	$ 274,003	$ 3,838,655

The accompanying notes are an integral part of these financial statements.

THINK Together

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2019

	Program Services	Supporting Services			
	Out of School Programs	Management and General	Fund Raising	Subtotal	Total
Advertising	$ 40,575	$ 40,484	$ 44,120	$ 84,604	$ 125,179
Bank charges	21,957	55,111	-	55,111	77,068
Computer and software expenses	485,319	186,792	3,963	190,755	676,074
Consulting	114,681	349,462	92,043	441,505	556,186
Copying and printing	387,306	10,273	11,768	22,041	409,347
Depreciation	60,551	419,786	-	419,786	480,337
Insurance-general	886	447,773	-	447,773	448,659
Insurance-health	998,738	63,485	14,991	78,476	1,077,214
Insurance-workers comp.	405,960	-	3,986	3,986	409,946
Interest	21,313	233,047	-	233,047	254,360
Legal and accounting	429,911	76,021	-	76,021	505,932
Maintenance and repairs	131,153	211,087	406	211,493	342,646
Travel and mileage	507,602	90,757	20,835	111,592	619,194
Office expense	283,952	114,200	78,568	192,768	476,720
Outside/subcontracted services	1,272,203	150,725	-	150,725	1,422,928
Postage	70,843	20,926	9,465	30,391	101,234
Promotion	154,806	24,238	3,330	27,568	182,374
Rent	1,002,554	-	-	-	1,002,554
Salaries and wages	34,839,065	2,456,000	524,567	2,980,567	37,819,632
School supplies	1,843,216	1,783	33	1,816	1,845,032
Special events	136,779	31,698	6,125	37,823	174,602
Staff development	113,660	15,382	6,807	22,189	135,849
Taxes - payroll	3,094,613	153,645	39,477	193,122	3,287,735
Taxes - property, other	25,502	63,175	-	63,175	88,677
Telecommunications	184,696	-	1,900	1,900	186,596
Utilities	60,139	158,029	-	158,029	218,168
	$ 46,687,980	$ 5,373,879	$ 862,384	$ 6,236,263	$ 52,924,243

THINK Together

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2018

	Program Services	Supporting Services			
	Out of School Programs	Management and General	Fund Raising	Subtotal	Total
Advertising	$ 30,420	$ 30,008	$ 30,008	$ 60,016	$ 90,436
Bank charges	2,506	45,109	-	45,109	47,615
Computer and software expenses	245,198	303,268	3,122	306,390	551,588
Consulting	80,045	211,586	65,778	277,364	357,409
Copying and printing	409,413	8,376	26,918	35,294	444,707
Depreciation	14,541	453,867	-	453,867	468,408
Insurance-general	-	397,802	-	397,802	397,802
Insurance-health	886,673	49,414	12,622	62,036	948,709
Insurance-workers comp.	542,074	20,037	4,662	24,699	566,773
Interest	10,209	247,508	-	247,508	257,717
Legal and accounting	22,268	433,551	-	433,551	455,819
Maintenance and repairs	109,898	152,600	262	152,862	262,760
Travel and mileage	492,258	55,420	21,069	76,489	568,747
Office expense	335,916	123,723	87,159	210,882	546,798
Outside/subcontracted services	1,137,107	15,330	4,631	19,961	1,157,068
Postage	57,122	13,538	4,687	18,225	75,347
Promotion	118,616	10,916	4,299	15,215	133,831
Provision for doubtful accounts	-	100,000	-	100,000	100,000
Rent	897,157	3,529	-	3,529	900,686
Salaries and wages	33,497,991	2,080,811	553,323	2,634,134	36,132,125
School supplies	2,136,080	-	40	40	2,136,120
Special events	91,061	26,886	48,803	75,689	166,750
Staff development	197,124	23,957	32,580	56,537	253,661
Taxes - payroll	3,088,199	119,464	42,087	161,551	3,249,750
Taxes - property, other	13,452	73,385	-	73,385	86,837
Telecommunications	199,379	33,489	1,420	34,909	234,288
Utilities	43,027	141,798	-	141,798	184,825
	$ 44,657,734	$ 5,175,372	$ 943,470	$ 6,118,842	$ 50,776,576

THINK Together

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Increase in net assets	$ 915,468	$ 704,854
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	480,337	468,408
Provision for doubtful accounts	-	100,000
Equity interest loss (income) in benefit corporation	77,029	(206,885)
(Increase) decrease in assets		
Accounts receivables	(33,809)	592,666
Prepaid expenses	217,862	(272,758)
Due from affiliate	(107,735)	(164,180)
Deposits	(4,547)	(7,198)
Increase (decrease) in liabilities		
Accounts payable	263,668	234,698
Accrued payroll and related liabilities	288,215	(25,224)
Deferred revenue and rental obligations	554,061	92,755
Total adjustments	1,735,081	812,282
Net cash provided (used) by operating activities	2,650,549	1,517,136
Cash flows from investing activities		
Acquisition of property and equipment	(1,332,137)	(380,091)
Deferred lease commissions	-	(31,251)
Net cash provided (used) by investing activities	(1,332,137)	(411,342)
Cash flows from financing activities		
Payments on line of credit	(524,571)	(378,542)
Satisfaction of service obligation	(519,098)	(504,317)
Payments on long-term debt	(101,676)	(101,735)
Net cash provided (used) by financing activities	(1,145,345)	(984,594)
Net increase in cash and cash equivalents	173,067	121,200
Cash and cash equivalents at beginning of year	554,959	433,759
Cash and cash equivalents at end of year	$ 728,026	$ 554,959
Supplemental disclosures:		
Cash paid during the year for interest	$ 204,008	$ 179,788
Non-cash investing and financing activities:		
Acquisition of building	$ 1,120,000	$ -

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2019 and 2018

Organization and Nature of Services

THINK Together is a non-profit, tax-exempt, California organization that partners with schools to change the odds for kids. THINK Together offers Expanded Learning Programs in Early Learning, Afterschool and Student Support Services for students in low-performing school districts. THINK Together also provides systems change in schools to support teachers and administrators through affiliate partner Orenda Education.

THINK Together offers programs in over 400 sites across 47 public school districts in California. During the fiscal year ended June 30, 2019, THINK Together served more than 150,000 students.

THINK Together's services are provided under a variety of financial arrangements. The largest portion of these services is the daily comprehensive academic support programs provided to public school districts. THINK Together serves as a sub-contractor to these districts where it provides program services, volunteer recruitment, financial reporting, program evaluation and raises matching funds through philanthropy. THINK Together's community site programs are funded entirely through philanthropy. THINK Together's early learning programs are funded via state and county subsidies.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Organization.

Basis of Presentation

The financial statements are presented on the accrual basis of accounting. Management has evaluated subsequent events through October 25, 2019, the date which the financial statements were available for issue.

New Pronouncement

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958).* ASU 2016-14 reduces the number of classes of net assets from three to two, requires the presentation of expenses in both natural and functional classifications, and requires both quantitative and qualitative disclosures about liquidity and availability of financial resources among other provisions. ASU 2016-14 became effective for fiscal years beginning after December 15, 2017, with early adoption permitted. Management elected to adopt ASU 2016-14 as of and for the year ending June 30, 2019 and applied the changes retrospectively.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease Accounting Pronouncement Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases*. ASU 2016-02 establishes a comprehensive new lease accounting model. The new standard clarifies the definition of a lease and causes lessees to recognize leases on the balance sheet as a lease liability with a corresponding right-of-use asset for leases with a lease term of more than one year. The Organization will be required to adopt ASU 2016-02 effective for the fiscal year ending June 30, 2022. Early adoption is permitted. The Organization is currently evaluating the impact that ASU 2016-02 will have on the Organization's financial statements and related disclosures.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or nonexistence of restrictions on use that are placed by its donors. The two classes of net assets are as follows:

> Net Assets Without Donor Restrictions – Net assets without donor restrictions are resources available to support the Organization's operations. The only limits on the use of these net assets, if any, are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
>
> Support that is restricted by a donor is reported as an increase in net assets without donor restrictions if the restriction expires in the period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction.
>
> Net Assets With Donor Restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a specified purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature and the Organization must continue to use these resources in accordance with donor's restrictions.
>
> The Organization's unspent contributions are included in this class if the donor has limited their use. When a donor's restriction is satisfied, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Transactions

All revenues are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resource for a specified purpose or for a future period. All expenses are reported as decreases in net assets without donor restrictions.

Cash, Cash Equivalents and Concentration of Credit Risk

For purposes of the statement of cash flows, THINK Together considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents. THINK Together maintains its cash with commercial banks which at times may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. THINK Together believes these funds are all maintained in high quality financial institutions which limits its risk. THINK Together has not incurred losses related to carrying cash balances in excess of the FDIC insurance limits.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Promises to Give

THINK Together employs Accounting Standards of Codification ("ASC") Topic No. 958-605 Not-for-Profit Entities – Revenue Recognition to account for its contributions. In accordance with ASC 958-605, contributions are recognized when the donor makes a promise to give to THINK Together that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Allowance for Doubtful Accounts

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. THINK Together provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the collectability of the various accounts receivables. The provision for doubtful accounts for the years ended June 30, 2019 and 2018 was $100,000.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

THINK Together follows the practice of capitalizing all material expenditures for property and equipment. Donated property is capitalized at its estimated fair market value at the time of donation. Depreciation is recorded on the straight-line basis over the estimated useful life as follows:

Building	30 years
Building and leasehold improvements	4 - 10 years
Office, furniture and equipment	3 - 7 years

Long-lived assets held and used by THINK Together are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed. Management does not believe there to be an impairment of long-lived assets as of June 30, 2019.

Income Taxes

THINK Together is exempt from federal income taxes under the 501(c)(3) provisions of the Internal Revenue Code and is exempt from the state franchise tax under Section 23701(d) of the California Revenue and Taxation code. No provision for income tax liability is therefore required.

Deferred Revenue and Rental Obligations

Funds received in advance of program services or activities to be performed or delivered in future periods are recorded as deferred revenue in the accompanying statement of financial position. Revenues relating to such advance payments are recognized as the required services or activities are performed and related exchange transaction is completed. In addition, THINK Together utilizes a rent normalization account to equalize lease payments over the life of each individual lease when rental reduction incentives are provided at the commencement of the lease.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenue and Rental Obligations (continued)

Deferred revenue and rental obligations consist of the following:

	2019		2018	
	Current Portion	Long Term Portion	Current Portion	Long Term Portion
Deferred revenue	$ 682,894	$ -	$ 221,675	$ -
Security deposits	-	33,625	-	34,175
Deferred rent	4,996	208,670	36,559	83,715
Total	$ 687,890	$ 242,295	$ 258,234	$ 117,890

Revenue Recognition

The primary source for THINK Together's revenue is through public support. Public support comes mostly in the form of contributions from individuals and corporations, foundation and government grants, and service contracts with school districts. Contribution income is recognized either when it is received or a pledge is determined to be certain and eminent. Grant income is recognized as the related service obligation is completed. Service contract income is recognized ratably over the related contract term.

Donated Services, Materials and Facilities

Donated materials have been included in the accompanying financial statements where estimates of market value were available to measure the value of such materials. There were no donated materials during the year ended June 30, 2019. Donated materials during the year ended June 30, 2018 were $109,615. Contributed facilities are reported as public support income and rental expense based on the estimated usage value of the premises. There were no contributed facilities during the years ended June 30, 2019 and 2018. In addition, program meals donated to THINK Together for the year ended June 30, 2019 amounted to $5,208 and there were no donated meal for the year ended June 30, 2018. Donated services are recognized when a nonfinancial asset is created or specialized skills are required and the organization would otherwise need to purchase the services. Donated services during each of the years ended June 30, 2019 and 2018 were $540,000.In addition, a substantial number of volunteers have donated 98,624 hours and 96,801 hours of their time to THINK Together during the years ended June 30, 2019 and 2018, respectively. The value of this time and related expense has not been included in the accompanying financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of providing programs and services have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or service are charged directly to that program or service. Oversite costs common to multiple programs have been allocated among various programs benefited using a reasonable allocation method that is consistently applied based on a percentage of contract revenue method.

General and administrative expenses include costs that are not directly identifiable with or relate directly to the oversight of any specific program, but which provide for the overall support and direction of the Organization. Such costs include the finance and administrative functions and all liability insurance costs for the organization.

Fundraising expenses are expensed as incurred and are charged to the respective fundraising cost center. When the Organization incurs shared costs that are both fundraising and general and administrative, the costs are allocated based on the methods described above.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense for the year ended June 30, 2019 and 2018 was $125,179 and $90,436, respectively.

NOTE 2: PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 and 2018 consists of the following:

	2019	2018
Land	$ 5,603,245	$ 4,352,000
Building	1,534,589	1,381,824
Building improvements	2,725,025	2,328,202
Office, furniture and equipment	1,406,698	1,086,129
Leasehold and tenant improvements	493,566	144,479
Construction in progress	12,159	30,512
	11,775,282	9,323,146
Less: accumulated depreciation	(2,543,184)	(2,088,995)
Total property and equipment	$ 9,232,098	$ 7,234,151

NOTE 2: PROPERTY AND EQUIPMENT (continued)

On January 31, 2008, THINK Together acquired a 4-unit apartment building for $872,000 in the Shalimar neighborhood of Costa Mesa, CA, to allow for program expansion of their two community based program and to secure the long-term future of the programs. Subsequently, on February 22, 2019, THINK Together purchased a second building in the same Shalimar neighborhood for $1,404,010 to support existing programs. Refer to Note 6 for the financing arrangements for the two Shalimar buildings.

NOTE 3: OTHER ASSETS

Other assets consist of the following:

	2019	2018
Deposits	$ 87,222	$ 83,461
Deferred lease commissions	25,378	50,739
Goodwill	350,000	350,000
Investment in benefit corporation	559,007	636,036
Total	$ 1,021,607	$ 1,120,236

NOTE 4: CONCENTRATION OF SCHOOL DISTRICT CONTRACT REVENUE AND RECEIVABLES

THINK Together serves as a subcontractor to school districts where it provides a variety of program services. For the year ended June 30, 2019, school district contracts comprised 93% of THINK Together's operating revenue. Under these subcontractor arrangements, school districts act as the Lead Education Agency (LEA), or fiscal agent, and have been awarded grant funding by either the California Department of Education (CDE) or the U.S. Department of Education to provide program services. Partnering school districts have in turn contracted THINK Together to provide the comprehensive delivery and administrative oversight of the funded programs. Contracted program services provided by THINK Together have three primary sources of funding: 1) California Department of Education (CDE) grant funding for after school programming funded by Proposition 49, 2) Federal funding through the 21st Century Community Learning Centers program (administered by the CDE), and 3) Other Local School District Discretionary Funding Sources. For THINK Together, 72% of its operating revenue (77% of total school district contract revenue) relates to CDE Proposition 49 grant funding; and 7% of its total operating revenue (8% of total school district contract revenue) relates to U.S. Department of Education 21st Century Community Centers funding.

NOTE 4: CONCENTRATION OF SCHOOL DISTRICT CONTRACT REVENUE AND RECEIVABLES (continued)

For the fiscal years ending June 30, 2019 and 2018, school district contract revenue for THINK Together was comprised of the following sources of State and Federal grant funding:

	2019	2018
California Department of Education (CDE) –Proposition 49 After School Education and Safety Act (ASES)	$ 37,676,641	$ 37,694,110
U.S. Department of Education - 21st Century Community Learning Centers (21st CCLC) (administered by the CDE)	3,867,539	3,142,726
Other Local School District Discretionary Funding Sources (LCFF)	7,537,500	6,193,283
Total	$ 49,081,680	$ 47,030,119

NOTE 5: LIQUIDITY AND AVAILABILITY

Financial assets without donor or other restrictions limiting their use within one year of June 30, 2019, which are available for general expenditures are as follows:

Financial assets:	
Cash and cash equivalents	$ 728,026
Accounts receivable	2,962,960
Due from affiliate	1,112,956
Prepaid expenses	200,381
Total financial assets	5,004,323
Less financial assets held to meet donor-imposed restrictions:	
Donor-restricted net assets	(275,969)
Amount available for general expenditures within one year	$ 4,728,354

NOTE 5: LIQUIDITY AND AVAILABILITY (continued)

Based on the table above, the Organization has $4,728,354 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The contributions receivables are subject to implied time restrictions but are expected to be collected within one year. As disclosed in Note 6, the Organization has a line of credit available in the amount of $9,500,000, which it could draw upon in the event of an unanticipated liquidity need.

NOTE 6: LINE OF CREDIT

THINK Together has a line of credit with Comerica Bank that provides for borrowings of up to $9,500,000. Borrowings on this line of credit are permitted based on outstanding accounts receivable balances and are collateralized by a Deed of Trust that creates a lien on the security interest in the headquarters of THINK Together located in Santa Ana, CA, receivables and other organization assets.

Under the terms of the line of credit agreement, THINK Together is required to meet and maintain certain financial covenants. As of June 30, 2019 and 2018, THINK Together was in compliance with these covenants. Interest on this line of credit was payable monthly at the bank's prime rate (5.5%) plus .75% which results in an effective rate of 6.25% at June 30, 2019. The balance on the line of credit was paid in full as of June 30, 2019 and the outstanding balance as of June 30, 2018 was $274,571.

On October 18, 2019 THINK Together renewed its line of credit with Comerica Bank, extending the term to December 1, 2021. There was no change to the interest rate. Available borrowing amounts under the line of credit were changed and to be structured as follows: borrowings of up to $15,000,000 from November 1, 2019 to November 30, 2019 and August 1 through November 30 of each year thereafter and $9,500,000 for the period from December 1, 2019 through and including July 31, 2020 and each December 1 through July 31 thereafter.

NOTE 7: LONG-TERM DEBT

On October 28, 2010, THINK Together obtained a five year loan in the amount of $2,000,000 from St. Joseph Health System to provide working capital needs related to the Organization and to satisfy the requirements for the bank's line of credit of $9,500,000 as mentioned in Note 6. This loan is subordinate to Comerica Bank's line of credit.

The loan originally accrued interest daily at the rate of 4.25% per year and effective July 1, 2012, the interest rate was reduced to 2.17%. The Organization agreed to repay the full principal amount of the loan and interest accrued within five years of the date of agreement.

NOTE 7: LONG-TERM DEBT (continued)

Starting in December 2010, payments were due and payable in 60 consecutive monthly installments of principal and interest in the amount of $9,839 per month. In November 2015, St. Joseph Health System agreed to extend the loan for an additional 60 months and it is now due on November 30, 2020. The outstanding loan balance as of June 30, 2019 and 2018 was $1,365,886 and $1,453,282, respectively. On June 4, 2018, St. Joseph Health System assigned and transferred the loan and all of its rights to Providence St. Joseph Health Investment Trust.

On January 31, 2008, THINK Together financed the acquisition of the 4-unit apartment building referred to in Note 2 under the terms of a $595,000 note and deed of trust payable secured by the property. On February 22, 2018, the note was refinanced in the amount of $357,000. The new note is payable in monthly installments of $1,190 plus interest and will be due on March 1, 2028. Interest on this note is payable monthly at the elected LIBOR-based rate, which resulted in a weighted average rate of 4.57% at June 30, 2019. The outstanding balance of this note was $340,340 and $354,620 at June 30, 2019 and 2018, respectively.

The purchase of the second Shalimar building, also referred to in Note 2, was financed on May 7, 2019 under the terms of a $1,120,000 ten year note and deed of trust payable secured by the property. The note is payable in monthly installments of principal and interest beginning June 1, 2019 with the final payment due on May 7, 2029. Monthly interest on the note is calculated using a monthly LIBOR-based rate which was 4.44% as of June 30, 2019. The outstanding balance as of June 30, 2019 was $1,120,000.

In connection with its investment in Orenda Education (see Note 10), THINK Together became obligated under a $250,000 non-interest bearing note payable that was due on December 31, 2018 to a former shareholder of Orenda Education and in exchange received a corresponding $250,000 non-interest bearing revolving note receivable from Orenda Education. The $250,000 note payable, which was subordinated to THINK Together's obligations to Comerica Bank (see Note 6), was paid in full as of June 30, 2019.

Maturities of long-term debt are as follows:

Year ended June 30,	
2020	$ 138,982
2021	1,327,815
2022	52,989
2023	54,763
2024	56,615
Thereafter	1,195,011
Total	$ 2,826,175

NOTE 8: LONG-TERM SERVICE OBLIGATION

In August of 2012, THINK Together acquired a 52,000 square foot office complex on 2.3 acres of land in Santa Ana, CA for use as its administrative offices with proceeds from a $5,000,000 advance for future services from Children and Families Commission of Orange County (CFCOC). Under terms of an agreement with CFCOC, THINK Together is obligated to provide Early Literacy and Math Program services in exchange for this advance for a 10 year period, starting on July 1, 2012.

This obligation, which is collateralized by a deed of trust on the property, is being amortized over the 10 year service period with an imputed interest rate of 2.89%. The unamortized balance of this obligation was $1,650,377 at June 30, 2019 and $2,169,475 at June 30, 2018.

NOTE 9: LITIGATION

The Organization is involved in litigation in the normal course of its operations which management believes are adequately covered by insurance or accruals.

NOTE 10: OBLIGATIONS UNDER OPERATING LEASES

THINK Together has various leases for its facilities. The lease agreements having an original term of more than one year expire on various dates through November 2025.

Minimum lease obligations for these facilities are as follows:

Year ended June 30,	Base Rent
2020	$ 677,636
2021	686,753
2022	669,436
2023	690,270
2024	523,643
Thereafter	321,476
Total	$ 3,569,214

Rent expense was $1,002,554 and $900,686 for the years ended June 30, 2019 and 2018, respectively.

NOTE 11: INVESTMENT IN BENEFIT CORPORATION

THINK Together entered into an agreement on January 7, 2015 to purchase 25,000 common shares of stock with a stated value of $10 per share for $250,000 in Orenda Education (formerly Principal's Exchange), a California benefit corporation. The initial investment constituted approximately 17% of the outstanding voting stock of Orenda Education and, accordingly, was accounted for under the cost method of accounting.

In March of 2016, THINK Together acquired an additional 35,000 shares of Orenda Education stock for $350,000, raising THINK Together's ownership of voting stock to approximately 41%. This additional purchase was financed with $200,000 in cash and a $150,000 non-interest bearing note payable obligation that was paid on December 21, 2016. As a result of the increased ownership, THINK Together was required to change its accounting method for this investment from the cost method to the equity method of accounting. THINK Together has elected early adoption of FASB ASU No. 2016-07, *Investments-Equity Method and Joint Ventures (Topic 323)* and therefore retroactive adjustment for the investment is not required in connection with the change from the cost method to the equity method. Instead, the equity method is applied prospectively as of the date the investment became qualified for the equity method of accounting.

Under the equity method of accounting, THINK Together recorded a loss of $77,029 for the year ended June 30, 2019 and income of $206,885 for the year ended June 30, 2018 from its proportionate share of Orenda Education's net income.

THINK Together's investment in Orenda Education is included at cost of $600,000, plus its share of income or loss under the equity method, in other assets in the accompanying statement of financial position. The investment value was $559,007 and $636,036 as of June 30, 2019 and 2018, respectively.

Summary results of operations and financial position of Orenda Education were as follows:

Condensed income statement information for the year ended June 30,	2019	2018
Total revenues	$ 4,346,170	$ 4,383,981
Net comprehensive (loss) income	(187,875)	504,597

NOTE 11: INVESTMENT IN BENEFIT CORPORATION (continued)

Condensed balance sheet information at June 30,	2019	2018
Current assets	$ 1,286,067	$ 1,336,011
Intangible assets	1,495,600	1,495,600
Total assets	$ 2,781,667	$ 2,831,611
Current liabilities	$ 1,220,358	$ 1,206,077
Long term liabilities	-	150,000
Pension benefit obligation	1,072,843	799,193
Equity	488,466	676,341
Total liabilities and equity	$ 2,781,667	$ 2,831,611

NOTE 12: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2019 and 2018 consist of the following and were restricted for the following purposes:

	2019	2018
THINK Together Scholarship Fund	$ 275,969	$ 274,003
	$ 275,969	$ 274,003

NOTE 13: RETROSPECTIVE CHANGE IN NET ASSET CLASSIFICATIONS

The Organization has adopted FASB ASU No. 2016-14 in the current year and has applied the changes retrospectively. The new standard changed the net asset classifications as follows:

- Temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

- The unrestricted net class has been renamed to net assets without donor restrictions.

NOTE 13: RETROSPECTIVE CHANGE IN NET ASSET CLASSIFICATIONS (continued)

The adoption of ASU No. 2016-14 has the following effect on net assets at June 30, 2018:

	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted	$ 3,564,652	$ -
Temporarily restricted	274,003	-
Net assets without donor restrictions	-	3,564,652
Net assets with donor restrictions	-	274,003
Net assets at beginning of year	$ 3,838,655	$ 3,838,655

NOTE 14: RELATED PARTY TRANSACTIONS

Beginning September 2016, THINK Together and Orenda Education (formerly Principal's Exchange) entered into an agreement in which Orenda Education provides supplemental services to two school districts with whom THINK Together has an existing service contract. During the year ended June 30, 2019, THINK Together received $437,600 in connection with the supplemental services and subsequently remitted the payments to Orenda Education. During the year ended June 30, 2018, THINK Together received $529,269 in connection with the supplemental services and subsequently remitted the payments to Orenda Education. Program expenses in the amount of $294,206 and $269,716, related to the supplemental services provided by Orenda Education, was paid by THINK Together and were included in the due from affiliate balance as of June 30, 2019 and 2018, respectively.

For the years ended June 30, 2019 and 2018, THINK Together provided administrative, business development, and executive administrative services to Orenda Education in the amounts of $385,000 and $210,000, respectively, which are included in other income in the accompanying statement of activities. Additionally, during August 2018, THINK Together began to sub-lease a portion of an office lease to Orenda Education for a monthly rent of $3,500. Total rents received from Orenda Education for the sub-lease as of June 30, 2019 was $38,500. Orenda Education also provided $31,489 in consulting services to THINK Together during June 30, 2018.

NOTE 14: RELATED PARTY TRANSACTIONS (continued)

As described in Note 7, THINK Together was obligated under terms of a $250,000 subordinated note payable to a former shareholder of Orenda Education. In addition, THINK Together had a related outstanding receivable of $250,000 due from Orenda Education as of June 30, 2018, under a revolving non-interest bearing note receivable. Both the note payable to the former shareholder of Orenda Education and the note receivable from Orenda Education were paid in full and received in full, respectively, on September 6, 2018.

Beginning July 2017, THINK Together began to accrue monthly interest at 5.50% per annum on the net outstanding receivable balance from Orenda Education. Subsequently, the monthly interest was increased to 6.75% for the year ended June 30, 2019. Total accrued interest as of June 30, 2019 and 2018 was $70,312 and $57,356, respectively. The net receivable balance for the related party transactions between THINK Together and Orenda Education, which also includes ordinary administrative and other costs and expenses, was $1,112,956 and $1,005,221 as of June 30, 2019 and 2018, respectively, and is included as due from affiliate in the accompanying statement of financial position. In management's opinion, repayment of these receivables and advances will be realized in the ordinary course of operating activities and these amounts will be collected in full.

In other ongoing related party arrangements, during 2019 and 2018, THINK Together continues to purchase its business insurance at market rates through an insurance agency that employs the sister-in-law of THINK Together's CEO. In addition, the wife of the CEO is employed as its Director of Administration, the law firm employing one of THINK Together's board members has been engaged to provide legal services, and a software company owned by one of THINK Together's board members has been contracted to provide on-line parent outreach services. Additionally, THINK Together engaged one of its board members to provide legal services.

Management believes all transactions and contractual agreements referred to above were at competitive fair market value rates. The Board of Directors has approved each transaction in advance applying the tests of fairness and benefit to the Organization in accordance with regulatory requirements.

THINK Together

Single Audit Report on Federal Awards

Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
THINK Together

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of THINK Together (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered THINK Together's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of THINK Together's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether THINK Together's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Stephens, Reidinger + Beller LLP

Newport Beach, California
October 25, 2019

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
THINK Together

Report on Compliance for Each Major Federal Program

We have audited THINK Together's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of THINK Together's major federal programs for the years ended June 30, 2019 and 2018. THINK Together's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of THINK Together's major federal programs based on our audits of the types of compliance requirements referred to above. We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about THINK Together's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audits do not provide a legal determination of THINK Together's compliance.

Opinion on Each Major Federal Program

In our opinion, THINK Together complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended June 30, 2019 and 2018.

Report on Internal Control Over Compliance

Management of THINK Together is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audits of compliance, we considered THINK Together's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of THINK Together's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of the internal control over compliance and results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Stephens, Reidinger + Beller LLP

Newport Beach, California
October 25, 2019

THINK Together

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For Fiscal Year Ended June 30, 2019

Name of Agency or Department	Name of Program	CFDA No.	Name of Pass-through Entity	Identifying Number	Awards Expended
U.S. Department of Education	21st Century Community Learning Centers Program	84.287	California Department of Education	18-14349-67819-0A	$ 209,795
				18-14349-64279-0A	179,550
				18-14535-64295-9A	237,500
				18-14604-64295-9A	19,000
				18-14765-64279-0A	23,750
				18-14349-67090-0A	268,043
				18-14349-64774-1A	857,072
				18-14349-21860-0A	32,063
				18-14349-67918-0A	32,400
				18-14349-64816-9A	664,116
				18-14535-67082-9A	712,500
				18-14603-67082-9A	71,250
				18-14535-67207-9A	475,000
				18-14603-67207-9A	47,500
				18-14604-67207-9A	38,000
				Total Expenditures of Federal Awards	$ 3,867,539

THINK Together

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2019

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of THINK Together under programs of the federal government for the year ended June 30, 2019. For purposes of the schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by THINK Together from non-federal organizations. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of THINK Together, it is not intended to and does not present the financial position, changes in net assets, or cash flows of THINK Together.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF FEDERAL AWARDS

Scope of Presentation

The accompanying schedule presents expenses incurred by THINK Together that are reimbursable under federal programs of federal financial assistance.

Basis of Accounting

The expenses included in the accompanying schedule were reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited for reimbursement.

Subrecipient Expenses

There were no payments made to subrecipients for the year ended June 30, 2019.

Indirect Cost Rate

THINK Together has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

THINK Together

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2019

PRIOR PERIOD AUDIT REPORT

There were no audit findings in the previous year.

THINK Together

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2019

SUMMARY OF AUDITORS' RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of THINK Together were prepared in accordance with GAAP.

2. There were no material weaknesses in internal control nor were there any significant deficiencies based upon our audit of the financial statements of the auditee.

3. No instances of noncompliance material to the financial statements of THINK Together, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

4. There were no material weaknesses nor were there any significant deficiencies in internal control over major programs of the auditee.

5. The auditor's report on compliance for the major federal award programs of THINK Together expresses an unmodified opinion on the major federal program.

6. There are no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).

7. The program tested as a major program was the 21st Century Community Learning Centers Program pass-through assistance from the U.S. Department of Education, CFDA # 84.287.

8. The threshold used for distinguishing between Type A and Type B programs was $750,000.

9. THINK Together was determined to be a low risk auditee.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

There were no auditors' findings required to be reported in accordance with GAGAS.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no auditors' findings or questioned costs to be reported in accordance with 2 CFR Section 200.516(a).